



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2015 Assembly Bill 757	Assembly Amendment 1
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2015 ASSEMBLY BILL 757

2015 Assembly Bill 757 creates an income and franchise tax credit equal to 25% of a taxpayer's qualified research expenses, as defined under SEC. 41 of the Internal Revenue Code, for research conducted in Wisconsin, if the research is approved by an industry cluster partnership (ICP). The bill defines an ICP to mean a nonprofit organization that satisfies all of the following conditions:

- Its primary purpose is to assist in developing and supporting a regional concentration of private sector businesses in Wisconsin that share a common interest in fostering industry-specific research and development, worker skills training, and market development.
- It collaborates with institutions of higher education for the purpose of technology transfer and commercialization.
- It is governed by a board of directors with members from the public and private sector who represent the industries and interests necessary to ensure a collaborative, strategic approach to supporting economic development, job growth, and the development of marketable products and services in a specific industry.
- It is a participant in the national science foundation's industry and university cooperative research center program.

ASSEMBLY AMENDMENT 1

In relation to the research that qualifies for the tax credit proposed by Assembly Bill 757, the amendment removes the requirement that the research must be approved by an ICP

and instead specifies that the ICP must certify that the claimant is a member of the cluster. In addition, the amendment addresses several technical concerns raised by the Department of Revenue with regard to administration of the tax credit proposed by the bill. Lastly, the amendment specifies that qualified research expenses must satisfy one of the following additional criteria:

- The expenses are paid by the person claiming the credit.
- The expenses are paid pursuant to a contract with a Wisconsin research institution or university.
- The expenses are paid pursuant to a contract with a Wisconsin-based early stage company that has licensed intellectual property from a Wisconsin university.

BILL HISTORY

Assembly Amendment 1 was offered by Representative Neylon on January 27, 2016. On February 2, 2016, the Assembly Committee on Jobs and the Economy recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 757, as amended, on votes of Ayes, 15; Noes, 0; and Ayes, 14; Noes, 1; respectively.

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